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HANDLING INDICATOR

TO : DEPARTMENT OF STATE

INFO: DIA/DOD Washington D.C.  
USCINCSO  
AMEMBASSY MONTEVIDEO  
AMEMBASSY ASUNCION  
AMEMBASSY LA PAZ  
AMEMBASSY SANTIAGO  
AMCONGEN RIO DE JANEIRO

DATE: Dec 2, 1975

FROM: AMEMBASSY BUENOS AIRES

E.O. 11652: N/A

TAGS: ELAB, PINS, AR

SUBJECT: INDUSTRIAL TERRORISM: GUERRILLA WARFARE ON THE  
FACTORY FLOOR

REF: BA-7538

INTRODUCTION Terrorism is a fact and a way of life in Argentina. The guerrilla activities in the rural areas of Tucuman and the urban areas of Córdoba and Buenos Aires have been the subject of world-wide comment and endless analysis. However, another and possibly even more insidious form of guerrilla warfare, to which little attention has heretofore been paid, is in full operation in Argentina. It is the war being carried out by the industrial guerrilla, who operates on the factory floor, in the union hall and, increasingly, in concert with management. His tactics are those used by his rural and urban cousins, but refined to the necessities of his particular environment. He aims to radicalize the workers, alienate them from their legitimate leaders and their government, and win their sympathy so that they become his willing accomplices or docile followers.

The industrial guerrilla's efforts have been met with considerable success, and only now are the dangers and extent of those efforts being fully appreciated by the government and the populace. Consequently, some formal action, probably military, to combat the industrial guerrilla can be expected in the near timeframe (see RefTel). However, repressive actions alone cannot eradicate the underlying problems which nourish the terrorists. Thus, the industrial guerrilla is likely to remain a fact of Argentine life for the foreseeable future.

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ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/IPS

Margaret P. Grafeld, Director

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An objective analysis of the factory guerrilla is impossible as concrete information on his plans and operations is unobtainable. This report, therefore, attempts only to outline the scope of the problem, to chronicle the public's increasing awareness and concern, and to cite examples of industrial guerrilla tactics as described by a wide range of political, management and labor sources.

\* \* \* \* \*

Embassy reporting has consistently pointed out the increasing alienation of the Argentine organized labor leadership from its rank-and-file. With the exception of only a handful of unions, the current national labor leaders are now virtually divorced from the workers they represent. Their authority has eroded to the point that rank-and-file parallel unions, usually called plant "Struggle Committees" or "Coordinating Committees", have virtually replaced elected union delegates in negotiations at the plant level. Invariably, those grass-roots committees are far more militant than their legitimate leaders. As a result, "illegal" strikes and gangster-style tactics are becoming increasingly common.

In the viewpoint of many Argentine military, political and labor leaders, that increased militancy is caused by leftist subversives who are attempting to gain control of the working class. While that viewpoint is not wholly based on objective analysis, as many believe that all worker militancy is indistinguishable from subversion, there is little doubt that it has some basis in fact. Although the extent to which terrorist organizations are responsible for the new militancy is not statistically demonstrable, they are extremely active and there is ample evidence that they have encountered considerable success on the factory floor.

The newsmedia and Argentines in general are becoming increasingly preoccupied with this aspect of subversive activity. Few days pass without some reference to it in the newsmedia. Publicly and privately, politicians, businessmen, military and labor leaders stress the seriousness of the problem. Following are some representative observations.

Radical Party (UCR) President Balbin commented at a press interview that he was deeply concerned as it was obvious that the "factory guerrilla is serving foreign interests". National Deputy Antonio Troccoli, who represents Buenos Aires Province, told Emboff Nov 24 that the factory terrorists were a "disastrous influence" and that

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they controlled the main industrial plants in Greater Buenos Aires. Senator Eduardo Angeloz, who represents Córdoba Province, lamented to Emboff that most factories in Córdoba were controlled by the ERP and Montoneros and that management there now negotiates directly with the terrorist controlled internal committees rather than with the elected union leadership.

Both American and Argentine businessmen contacted by the reporting officer claimed that terrorists are responsible for the vast majority of cases of labor indiscipline in their factories. During visits to their plants, the reporting officer was advised by the American managers of US owned automobile and tire factories that through their system of management "spies" they had identified 120 and 80 terrorist employees, respectively. They said they were keeping them under surveillance but that neither they nor the union was able to neutralize them. (However, as in almost all such cases, the terrorist employees were identified only as "communist agitators". The managers were unable to be more specific and, in fact, left little doubt that they considered every labor "agitator" to be a communist infiltrator).

Except for only a few instances, labor leaders contacted by the reporting officer tended to agree with the businessmen that all factory oppositionists were communist subversives. They, more than any other group, see the hand of "foreign interests" in the militant challenges to their authority. The only differentiation they were able to make when pressed for specifics was that the "Montoneros control the Greater Buenos Aires area and the ERP controls the interior areas". Although they are deeply concerned over the problem, they have thus far been incapable of finding any effective means to combat it. Their only suggested "solution" is for the police and military forces to suppress any "unauthorized" act of the workers.

While the Military is not yet prepared to enforce trade union discipline, it is becoming increasingly concerned with the subversive aspects of the problem. But, as with all the other sectors, the Military also has difficulties in distinguishing between real subversion and more legitimate workers militancy. For example, during an early November interview published in MERCADO, then given wide press play, Army General Carlos Delia observed that the factory guerrilla was of special concern to the Military. After commenting that the infiltrators were arming themselves to fight the management personnel, he said that subversion was being carried out by "absenteeism, industrial sabotage and worker control over production". It hardly needs to be pointed out that absenteeism is a many faceted problem, only a

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small part of which can be attributed to subversive activities, and worker control is a tenet of Peronist labor philosophy.

Although the Military has been aware of the problem, its involvement thus far has been very low-key. One knowledgeable army officer advised the Defense Attaché that the army, in response to requests by plant managers, has had some soldiers assigned to a few plants during the past few months. The Military's first highly publicized participation in the war against factory subversion occurred on March 20, 1975 when, following a Ministry of Interior denunciation of a "vast subversive operation" by the ERP in the Villa Constitución industrial area, military troops were used to arrest union leaders and break a metal workers strike. The Ministry's failure to support its charges of subversion tended to discredit the entire operation and the Military quickly terminated its participation. However, the Military again entered the fray on November 18 when the Army intervened in a strike at the HIPASAM mine in Sierra Grande. Charging that the labor/management confrontation was being orchestrated by a small group of subversives, the Army broke the strike by arresting over 300 workers, including the entire local union leadership.

The November 18 action obviously marks a turning point in the Military involvement in the war against industrial terrorism. During the past few days the Press has reported that the Military is holding conversations with management on how best to combat factory subversion. Additionally, the Nov 26 press reported that the "factory guerrilla problem" was being considered in an ongoing meeting of the Armed Forces' Commanders in Chief. As the Military is now engaged in a major campaign against terrorist organizations throughout the country, it can be expected that they will also commit additional resources to combat the terrorists who operate on the factory floor.

While public concern with the problem of industrial subversion is easy to chronicle, demonstrable acts and activities of the factory terrorists are virtually impossible to come by. However, there have been some incidents which do provide some insight into their operations. At one level, murder, kidnappings, and intimidation of management personnel are part and parcel of their tactics to win over the workers. Industrial Relations and Personnel Officers appear to be the major targets for assassination when management refuses to accede to workers' demands. In practically all incidents of such assassinations in recent months, one or another of the terrorist organizations claimed credit for "solving" the workers' problems by "removing" the management "exploiters". It can be accepted, therefore, that the killings are by terrorists rather than by the workers themselves. Following such killings or kidnappings of management personnel, the affected firm almost invariably complies

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fully with the terrorists' terms, which normally consist of granting requested economic demands, payment of lost wages, and reinstatement of all discharged workers.

Management probably has little alternative but to accede to those demands. One firm which refused to and instead closed its doors was the country's major producer of synthetic fibers, Hilanderias Olmos. In taking its case to the public, Hilanderias Olmos stated that it was forced to close down following an absolute breakdown in labor discipline, almost daily threats against management by workers and terrorists, and the assassination of its Personnel Officer. It charged that despite repeated requests for police, Ministry of Labor and Ministry of Economy assistance, absolutely none was forthcoming. Instead, the company was intervened by the government following its decision to close down and placed in the hands of a union interventor. In contrast to Hilanderias Olmos' decision, most foreign firms comply with the terrorists' demands, then transfer all of their foreign nationals out of the country. The most recent move was by Mercedes-Benz, which shipped its entire non-Argentine management team to Uruguay in November.

Even if management can positively identify the guerrillas in its work force, it finds itself virtually incapable of acting against them. On November 24, the reporting officer visited a major Buenos Aires textile factory, which employs 15,000 workers, and was given the following information by management officials. It was the only case in which specifics concerning terrorist activities were offered. Five members of the ERP work in the key section of the plant, which produces the raw material for the entire factory system. The five do not hide their terrorist affiliation and, in fact, informed management that they were ERP members. According to the official who gave the information, management, the workers and the union delegates are all "scared to death" of them. They have threatened both management and workers with death if anything should happen to them. Accordingly, they are left unmolested. Management has not notified either the police or the military of their presence as they are convinced that the threats will be carried out if the ERP members are arrested. The terrorists' activities are normally limited to propagandizing, but they do occasionally call for work slowdowns or stoppages. Invariably, the workers comply. In the case of this factory, therefore, the terrorists do not use specific intimidations to obtain specific ends, but rather a general intimidation to obtain acquiescence with their daily activities.

Another guerrilla tactic is to use direct threats against workers. Both labor leaders and management officials described the following tactics to the reporting officer. Workers are first told by the factory guerrillas to comply with the latter's call for a slowdown, walk-out, etc.

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If a worker declines, he is harrassed at his workplace. If he is still rebellious, he can expect to receive threatening calls, his wife or parents receive calls or letters advising that he will be killed if he doesn't comply, his child or parent may be "kidnapped" for a few hours as evidence of what might happen, his house may be bombed, and, as a final warning to others, he may be seized from his home, brutalized, mutilated then filled with bullets or blown to pieces. Accordingly, the message gets to the rest of the workers. Those tactics, however, are more likely to be those of the ERP rather than the Montoneros. The latter, working through the Young Peronist Workers (Juventud Trabajadora Peronista - JTP), apparently are attempting to win over the workers to their own cause. Consequently they concentrate more on intimidation and killing of management personnel rather than on harrassment of workers.

In addition to tactics designed to intimidate and/or influence the workers, the factory guerrilla also deals directly with the union in some instances. In some cases they have successfully won over the shop-level union leadership. In other cases they capture a union meeting and either through fear or simple aggressiveness force through their proposals. The head of the Buenos Aires Customs Workers Union described the following incident to the reporting officer. During the first part of November the Buenos Aires Port-Railway Workers union was agitating for a wage increase. At a general meeting the union agreed to accept a management's proposal for a P 3,000 raise. After the proposal was accepted unanimously, a group of about ten young men entered the meeting, took the rostrum and insisted that the union hold out for a P 5,000 raise and declare an immediate strike in support of that demand. As it was clear that they were terrorists, no one dared oppose them. Accordingly, the union declared a strike and shut down the port.

All of the above mentioned tactics have been used in labor disputes with management. It is presumed that they are the work of industrial terrorists rather than militant workers, although the latter are also capable of using some of them. The obvious end of such tactics is to discredit the elected union leadership, undermine management and the government, and radicalize the workers to the point that they become willing adherents or docile followers of the terrorists.

In sum, the factory guerrilla now ranks with his urban and rural cousins as a major subversive threat. The public and government and military authorities are just now beginning to appreciate the extent to which he has been successful. No concerted plans have yet been prepared to counter industrial subversion, but some, primarily military,

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can be expected within the near time frame. The long run battle against terrorist subversion, however, will depend not only on military action, but also on government moves to ameliorate the underlying conditions which gave rise to the social discontent which sustains the terrorist. Unfortunately, for Argentina and the Argentines, it appears that repressive actions will be the only response which the present political leadership will be able to visualize. As a result, industrial terrorism and the factory guerrilla can be expected to be a part of the Argentine scene for quite some time yet.

MONTLLOR



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